



**FEASIBILITY PROPOSAL FOR ESTABLISHING AGRICULTURAL INDUSTRY FOR  
PROCESSING MAIZE FLOUR, STARCH AND GLUCOSE SYRUP IN SUMBAWANGA RURAL  
DISTRICT IN RUKWA REGION UNDER REGROW PROJECT FUND TANZANIA.**

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**Drawn by**

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## 1.0 Introduction

In a recent world, grain survey for constructing of large storage and grains processing industry are growing in many places in the world including Asia, Latin America and Africa due to climate change and water scarcity as well as increasing industrialization. However, there is a great demand for new construction of collection points close to the harvest area especially in regions where industrialization is not completed yet. Furthermore, there is demand for large scale trading terminal to transport the products from countries or regions of cultivation to the people demanding food. Securing agricultural products in quantity and quality is a growing concern and challenge for small hold famers and traders.

This project was driven by SAGCOT project which announced opportunities in various projects in 2018, where we had a semi contract with SAGCOT after applying for grants, and advised to recruit small holder farmers from the ward in Sumbawanga rural district to be our business partners and we managed to recruit 1,000 small holder farmers at Sumbawanga rural district in Rukwa region. Unfortunately, the SAGCOT project was shelved out.

Also, the agro processing industry in Sumbawanga district Rukwa region will be processing 100 tons of maize flour per day and at least 12 tons of starch and glucose syrup per day.

However, this project is highly supported by the regional and district authorities and we have been offered the land of 10 acres for establishing the agro processing industry. The firm has valid business licenses to run processing industry business in Sumbawanga rural district.

One thousand Small holder farmers (1000) who have been recruited are all groups of people and gender inclusive and every person will cultivate at minimum 3 acres of land and be able to produce at least six (6) tons per each person and hence six thousand (6000 tons from 1000 small holder farmers.

This project will be supporting 1000 small holder farmer every year and 10,000 small holder farmers will be supported within ten years. The support will include though not limited to quality seeds, fertilizers, cultivation and other inputs which will cost USD 175 per person.

Nevertheless the agreement between Malazya Trading Company Limited and 1000 small holder farmers is Malazya trading company will be having seventy (70%) and one thousand (1000) small holder farmer will be share holder of the agro processing project and will be having 30% on the venture which will be also supporting new one thousand 1000 small holder farmers every year for the whole period of the project partnership and the all contracts has been signed by district authority and Directors of Malazya trading company limited.

Sumbawanga rural district GPS is within the latitude of S-7.9666 and longitude E 31.6166

Financing strategy of this project include the **CRDB** bank which will give loan of USD **1.875**. It is the pari passu and paired financing \ project. And YANG JIN will inject cash of **USD 1.7M to be given for soften loan interest.**

This project is supported by Tanzania Investment Center and therefore this project is eligible for tax exemption for at least 48% on capital investment.

On top of that this project is consistent to Regrow projects by strengthening alternative livelihoods for people living in Sumbawanga rural district, improving the industry infrastructure, in the southern part of Tanzania, but also it is an alternative way for economic opportunities thereby relieving the pressure on reliance on natural resources for survival and improving the land management by improving agriculture in Sumba

This project will be supporting 1000 small holder farmer every year and 10,000 small holder farmers will be supported within ten years.

The company which is going to implement this project is Malazya trading company limited which was incorporated in April 2009 in Tanzania and certificate of incorporation No 70766, TIN NO 108-670-150, VAT NO 40-004920-I, TAX CERTIFICATE NO 571-0090-9350, 571-0090-0358 and 571-0090-9334 AND Brela recent annual return for 2020 receipt No 921096041232050 and valid business license grade B No 3684563 issued from Sumbawanga rural district to Malazya trading company limited.

Malazya trading company limited is planning to work closely and directly with small holder farmers in Sumbawanga rural district in Rukwa region Tanzania .The main activities will be building capacity on farm activities, products storage, processing, distribution, pricing and searching for good markets in Tanzania and outside Tanzania for making sure that small holder farmers get good price on their products and hence improve their social economic life in their daily life.

This project will give employment to more than 5000 people of both formal and informal workers for the first year and employment will reach more than 50,000-100,000 people being multiplier effect of this project.

The region capital is the municipality of Sumbawanga. The region have a population of 1,004, 539 and total square kilometer 22, 792 or 8, 800 square miles. In 2020, the region lead the maize production in the southern zone,Tanzania. Sumbawanga rural district GPS is within the latitude of S-7.9666 and longitude E 31.6166-

The Rukwa region has total population of 1004,539 where 50% of the populations are in the medium age of 18-20 which is the energetic and aggressive age for production of commercial grains and working in plants for processing glucose starch powder and maize flour processing.

The market of corn product will be Tanzania market with the population of 60+ million people, DRC Congo with population of 90+million people and other SADC and EAC community countries with population of more than 500+ millions population.

The marketing strategy will focus on brand credibility, brand equity, brand satisfaction and loyalty for managing the business effectively.

The competition in the food industry is inevitable but we will manage the competition due to our good strategic business planning.

This project is still supported by the Tanzania national public private partnership (PPPs) policy of 2009 where the public and private sector enter in a contract of implementing together one project

for the benefit of both parties. This policy aims at stimulating high rates of economic growth for the achievement of poverty reduction goals and resulting in substantial economic performance. The economic reforms includes fiscal and momentary policies, privatization of state owned enterprises, trade liberalization, improvement of the business environment and strengthening of public expenditure management. Working with the government through local governments is therefore a cooperative venture built on the expertise of each partner that best meets clearly defined public needs through the most appropriate allocation of resources, risks and rewards.

This project is consistent to the trade and industry laws of Tanzania and warehouse receipts system operation, is also supported by the government for giving exemption for 100% on agricultural imported products. This project is being supported with merchants doing warehouse and Agro processing industries in Tanzania.

Certainly, the compion of this projects are **Mr Fous Malibate Lugoye** who is the graduate in Masters in business administration (MBA) from Tanzania open University.and he is the current managing direct of Malazya trading company limited. Anothers are employed professional employee of different skills.

Conclusively, this project is scalable, replicable, innovative and transformational and it has the vision and mission of reaching and benefiting many small holder farmers and traders in Tanzania

## 2.0 Executive Summary

The purpose of this business plan is to raise equity guarantee and debt fund of **\$ 3.6M** for supporting small holders farmers and developing the agro processing factory in Rukwa region at Sumbawanga rural district. The MTCL will get the loan of USD 1.87M from CRDB Bank which will be used as working trading capital while YOUNG JIN LIMITED will inectet cash of USD 1.7M for establishing the maize processing . The agro processing facility which will be processing **100 tones** of maize flour per day and **12 tones** of glucose syrup and starch per day. the industry demand of maize raw material is almost **60,000 tones** per year.. However the industry is expecting to produce maize flour 32,400 tone per year and starch and glucose syrup 7200 tones per year.The region have the capacity of producing more than **500, 000 tones** of maize per year. However the targeted market is DRC CONGO ,SADC markets and Tanzania local market.

This project is estimated to make sales turnover of at least USD 10-12M per year and make profit of utmost **USD 2M per year** if the operation is at the capacity of 100%. The payback period will not exceed five year.

**Certainly, more than 270** form and inform people will be employed in this industrial project

### 2.1. The name of the project

The name of the project will be **MTCL MILLS INDUSTRY** for storing and processing grain and selling within the country and outside the country.

### 2.2. The objective of the project.

The objective of the project will be categorized into general and specific objectives as follows:

#### 2.3. General Objectives.

- To promote warehouses and corn processing plants for small holder farmers and traders to store and sale grains.
- To have one stop center warehouse and flour milling industry and other corn products.
- To promote farmers and traders for social economic development in southern regions through storing and selling grains for good price .

#### 2.4 Specific Objectives

- To carry out the activities of storing, buying and selling corn flour and other corn processed products.
- To carry out the activity of weighing and cleaning the grain and storing it.
- To carry out the activities of drying the grains and storing them.
- To carry out the activities of seed dressing and storage.
- To carry out the activities of grain fumigation.
- To make sure that workers are well trained and act professionally.
- To make sure that equipment's for weighing, grain analysis and storage are available.
- To make sure those procedures for grain handling before storing and processing are followed.
- To make sure that the security of grains, equipment, employees and public are available.
- To work closely and enter into any agreement with national milling corporation for buying maize and maize products.

- To emphasize and r educating people for cultivating many hectors for them to get good money through commercial warehouses and corn processing plants
- To participate in information, management supervision or control of business or operators for any company which will be interested, in dealing, promoting the warehouse and corn processing activities in the southern highland region.
- To participate fully in social responsibility activities in Rukwa region.

## 2.5 The project promoters

The company that will promote , manage and operate the warehouse , corn processing plant and other assets in the southern highland regions with sound technical , financial and economical liability is MALAZYA TRADING COMPANY LIMITED . MALAZYA TRADING COMPANY is a registered company whose certificate of incorporation is No 70766 under the companies decree Cap of 212 day of 27<sup>th</sup> April 2009.

- The company authorized share capital is Tanzania shillings 15,000,000 which are divided into equal shares of (30,000) shares of (Shillings 500.00) each as follows:
  1. FOCUS MALIBATE LUGOYE 70%
  2. SYONE SIMON KIONGOSYA 30%

### 2.5.1 Project beneficiarie

The beneficiaries in this project will be as follows :

1. MTCL- Malazya trading company limited for 51%
2. YOUNG JIN COMPANY LIMITED 49%
3. Sumbawanga rural district council shall be receiving Tax AND VAT according to the government laws.
4. Employment for Sumbawanga natives.
5. Other small holder farmers for selling their maize in the industry.
6. Government through corporate and vat tax
7. And many other social economic benefits.

## 2.6 The project

At present, there are few commercial warehouses and corn processing plants which are available in southern highland regions. *This project is proposed to be built in Sumbawanga rural district in RUKWA REGION.* This commercial grain warehouse and corn processing plants are going to do different and bridge the available gap which make farmers to keep their grains at home local silos. The project se will do the following different from other ware houses:

- Lower cost – the farmer or traders will need not to invest in their own storage facility and equipment or in the staff to manage their grains because the charge is very affordable to every person.
- Storage space – the commercial warehouse will have enough space compared to storage space of farmers and traders whose space may be unsuitable for storing grain for long periods. This warehouse will store the grains for long period without any problem.
- Grain handling equipment. These commercial warehouses will have the all equipment's such as forklift, conveyors scale, dryers, cleaners and others more. But farmers and traders don't have such equipment.
- Convenience- after the farmers or traders deposits the grain in the commercial warehouse, the warehouse operator takes over responsibility for handling and depositing it, in return for a free and this leaves the depositor free to do other thing.
- Quality management and pest control- the commercial warehouse will make sure that grains are not deteriorating quickly. The warehouse will use the required pesticide chemical for fumigation.
- Security – the commercial grain warehouses will be able to protect the grain from thieves, leaky roof or fire which is the common challenge to many farmers and traders. Farmers and traders find difficulty to get insurance for their crops in their own store but commercial grain handlers will insures the all grains in the warehouse and be obliged to compensate depositors if the grain is stolen or spoiled.
- Professional services- the commercial grain warehouse will provide professional services so that customers are attracted to repeat the services. The professional services are tools of competing with other grain handlers and avoid having to compensate depositors for spoiled grain.

- Transfer of ownership-the commercial warehouse will enable the seller to sell his or her grains to a buyer without having to move it somewhere else and this reduces losses and costs to bagging or rebadging, spillage and theft.
- Linkage- commercial grain warehouse will be linking farmers and traders to opportunities and better markets for structured trade and commodity financing.
- Networking- commercial warehouses will have good network with buyers and will be linking farmers to better markets or actually average buyers for the stored grain. Because commercial grain warehouses will be having enough stock of grains from many producers, It is easy for large buyers to come in the warehouse and purchase large quantities of grains and that will save the buyers money and time to go around many places to buy small amounts at each location.
- Warehouse contract- when a farmer or trader delivers grain to a commercial warehouse grain handler he or she is given a contract to sign as an agreement between the two parties and the warehouse operator is going to provide the services such as drying and storage in exchange for payment in cash or grain valued at the market price.
- Warehouse cargo vehicle-this truck will collect grains from different points and the charge will be very cheap for everyone to manage or pay after selling his grain. Farmers and traders are not providing such services.
- Warehouse pickup- the commercial warehouse will be using its pickup as a means of mobility for field work by visiting farmers and traders at different areas in the region. However, pickups will be used for liaison, coordinating and coaching farmers and traders the importance of storing goods for waiting good opportunity.
- The warehouse clerk will be the linker of selling the small holder farmers grains.
- The MTCL processing industry will be buying based on the competitive price available in the market at that time.
- The customers or grains owners will have the final say on selling their grains to the industry.
- The industry processing plants and workers will be separate and independent from warehouse activities.
- The government's tax will be paid as accordance to the Tanzania tax laws.
- The experts employed for special duties will be paid according to contract agreement.

The project itself will involve offering the following services

- 1) Collecting grains from farmers and traders
- 2) Storing the grains to the warehouses
- 3) Cleaning the grains
- 4) Drying the grains
- 5) Fumigating the grains

And any other associated activities

## **2.7 Project justification**

At present the storage facilities are not in advanced standards just very few farmers and traders are using advanced warehouse facilities and most of them more than 90% are still using local silo storage facilities. Hence, establishing an advanced warehouses for crops storage will have positive contributions as explained in the following sections.

### **2.7.1 Scalability**

This project is scalable because it has the vision and mission of reaching and benefiting many small holder farmers and traders and the population at large. This project will be expanding from year one to year ten in terms of resources, assets, and employment increase and tax payment.

### **2.7.2 Replicability.**

This project is replicable because its technology is moderate and used in many countries in the world. The data used have validity value and similar to other project existing activities, process, systems and results expected from the venture itself.

### **2.7.3 Innovation**

The innovation in this project is unique on the innovative extension, duplication and synthesis due to climate change, population increase and new ways of increasing corn production. The other dimension of innovation are congruities, process needs and change in perception that means change in peoples interpretation of facts and realities on the price of demand and grains. But also the knowledge based concepts for creation or development of something brand new of the service of the service processing and handling of the grains for maintaining its nutrients and its value. In

truth, innovation is predictable and can be introduced by anyone and the market or customers and corridor principles are driving forces behind any innovation.

#### **2.7.4 Innovation benefits**

The rural project innovation will benefit not only the Sumbawanga rural districts or Rukwa region but also the maize flour will be distributed to many places of the country and make price on the maize flour cheap and affordable for many Tanzanians. This innovation is going also to solve the part of large problem of the market for small holder farmers and traders in the regions.

#### **2.7.5 Transformational Aspect**

This project has transformational aspects for having potential results in the in the long run. The project have a clear cut for atmosphere and vision and sense of mission instills pride. The firm has inspiration and therefore it believes on market orientation, experienced workers, co-investments and specialization. The firm will be promoting innovation on cutting edge services, skunk works and interactive learning culture. The firm will be having room of promoting intelligent rationally and solving problems carefully.

#### **2.7.6 Economically**

- It will promote the overall economic development of the southern highland regions and its districts by putting to useful use of the land.
- It will promote and develop agriculture sector in particular maize and rice production in the southern highlands regions
- It will contribute to economic recovery through increase of the volume of the cereal crops in the region.
- It will increase the revenues for all outskirts areas in the regions
- It will create employment for local populations in the southern regions of Tanzania
- It will facilitate import/ export cereal opportunities in the southern r highland regions

#### **2.7.7 Socially**

- The project will facilitate and promote the development of several social economic infrastructures such as school, hospitals, recreation places and lodge facilities.
- It will also facilitate intercultural interaction, hence provide chances of learning and changing civilization life style from different people and countries.

- It will enhance unite and cooperation between the southern highland regions and neighbor countries.

### **2.7.8 Environmentally**

- The project will facilitate the preservation of the natural endowments and conservation of the forests for managing climate change in the southern highland regions.

### **2.7.9 Politically, leverage and synergise**

This project will resilient the political feelings of the Sumbawanga and other districts, because it will create massive employment and bring harmony in the regions at family and society levels. this project will be the model for projects to be established in rural places and can leverage and synergize with other developmental projects to other rural places in the country

### **3.0 Project Location**

The project will be located in the Sumbawanga rural district in Rukwa region for managing the all rural districts in Rukwa region.

### **4.0 The project outcome**

The production is reported to be more than 700 tons of cereal tons of maize and rice in the Rukwa region. This project outcome is to benefit small holder farmers and trader more than three hundred (300,000) in the region and more than one million (1,000,000) people will benefits indirectly from this project in the region for getting reliable market of their products. Currently, the large market of grain is local market which consume 80% of the maize produced in the country while the 20% of the maize produced is sold in Kenya, Somalia, south Sudan, Uganda and DRC Congo.

However, MTCL mills industry will make aggressive marketing for its products inside and outside the country and keep expanding the corn products markets.

### **4.1 Implementation Modality**

The modality of the project implementation is participative in nature because the one thousand (1000) small holder farmers will be shareholders in this venture. Other beneficiary are people from the targeted area who will be working in the industry and others supplying goods to the industry and make the all participants benefit from this project.

#### 4.1 Profitability

This project is viable and profitable, the financial report depicts normal profit from year one and super profit as the business operations increases.

#### 4. The Competition.

The competition is not stiff because there no large project of this kind in the regions for storing small hold farmers and traders and processing cereal crop in the regions just small silos and plants are available in Rukwa regions .

#### 5.0 Project Implementation

The project implementation basically will involve developing the plant building and purchasing the silo tower facilities including fork lift, cranes, conveyors, and cargo truck and vehicle transportations for field work movement.5.1 Warehouses (silo tower ) equipment will include:-

- Two tractors
- Fork lift
- Conveyor scale
- Cranes
- Dryers
- Truck scale
- Positioning equipment
- Cargo trucks
- Vehicles
- Communication equipment and computers
- Automation equipment.
- Fixtures and fittings

#### 5.2 Other activities in the industry will include:-

- Contracting with farmers and traders
- Issuing receipts
- Contacting buyers

- Managing workers
- Paying government taxes
- Data mart and data warehouses management

### 5.3 Warehouse operational strategy

The warehouse will use the following strategy for accomplishing its goals

- It will use agents who will be representing the company and will be located to all villages and it is estimated the industry to work with 100-200 agents. The agent will be the champion of coordinating farmers and traders on how to deliver the grains to the warehouse and agent will be paid on commission basis. It is estimated the agent to get at least 200 USD per year.
- Daily and temporary workers. The warehouse will use temporary and daily workers and it is estimated to use at least 10 daily workers for loading and offloading goods from trucks. And it is estimated to pay wages of USD 10,000 - 30,000 during the industry operations.
- Bonus. The warehouse will pay the bonus to all workers based on the profit realized and it is estimated to pay bonus of 10,000- 30,000 USD during the period of operations.
- Cargo truck. The warehouse will be using its cargo trucks to collect grains from different points identified by agents.
- Communication, the company will use its resource for effective communications with agents, large farmers and traders for storing and selling their grains.

### 6.0 MTCL Milling Industry Style

The MTCL milling industry will involve the following plants.

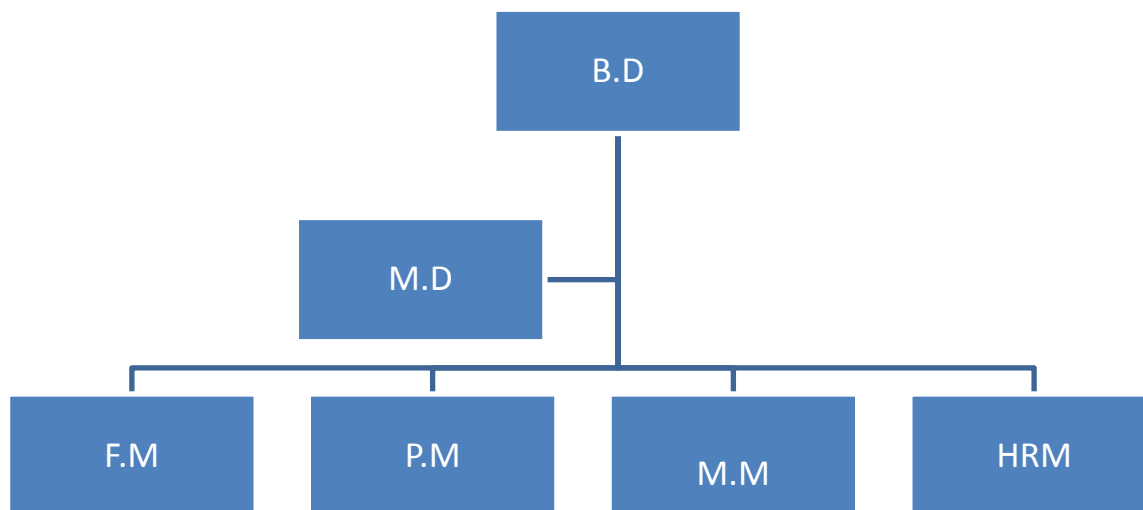
- Glucose syrup processing machines
- Maize flour processing machines

#### 6.1 Key MTCL activities will involve:

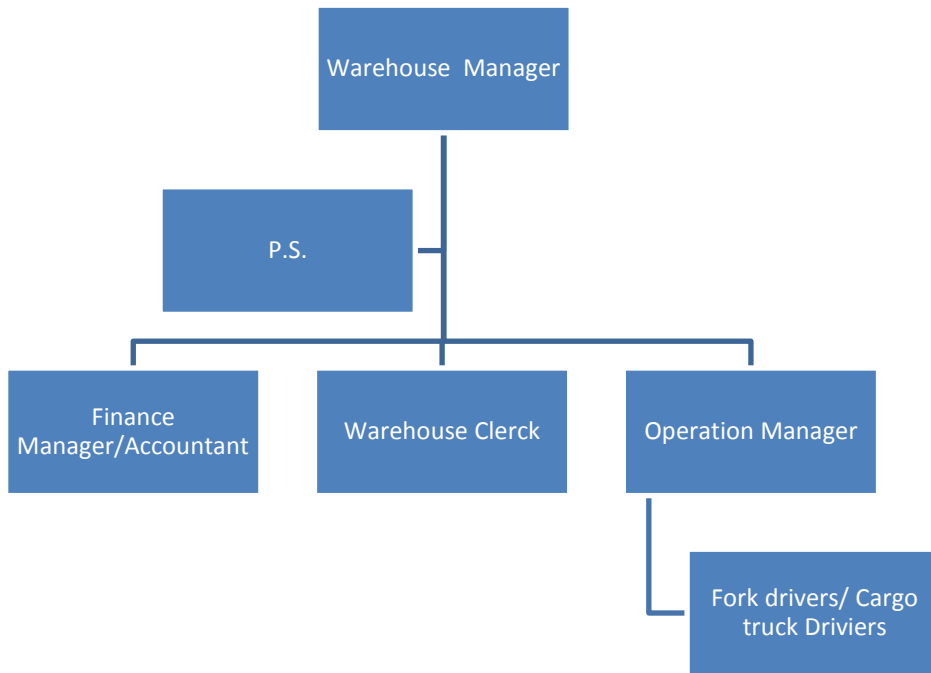
- Steel plant building for glucose syrup processing
- Steel plant building for maize flour processing
- Steel building for administrative block

- Two Warehouse (silo tower ) construction
- Drawing and electric infrastructure building
- Drawing and plumbing infrastructure construction
- Drawing and sanitary facilities building including plant zone fence construction, toilets and restaurants
- Land acquisition and surveying
- Clearing and forwarding for imported capital goods
- Environment impact assessment
- Agriculture digital development solution
- Storing harvested maize in treated maize bags
- Water well drilling

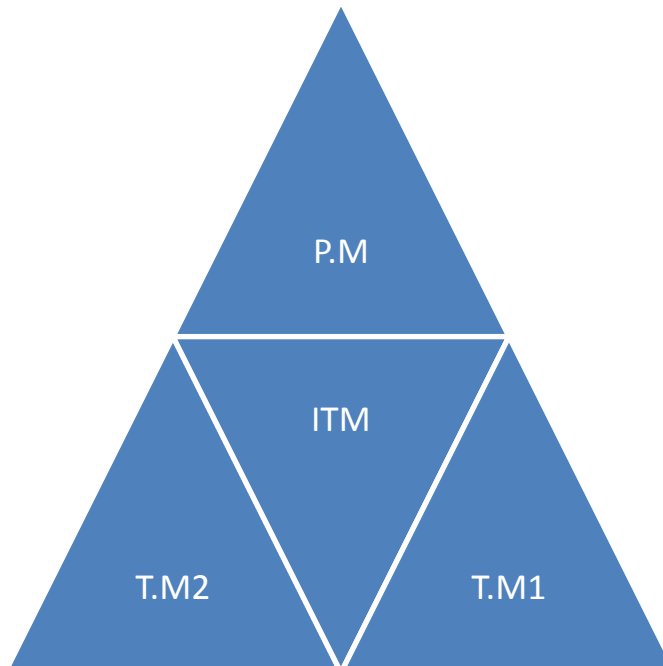
Figure 6.1 MTCL mills management style



**Figure 6.2. Warehouse Management Structure**



**Figure 6.3 Corn processing plant structures**



## **6.3 Hierarchical industry management Administration and key staff**

### **6.3.1 Board of directors**

This is the superior organ for strategic planning of the organization, the chairman or president of the organization will be appointed by majority shareholders lead the board of directors. The managing director will be the secretary during the board of directors meeting.

### **6.3.2 Managing director**

Will responsible for the all industry roles including interpersonal, informational and decisional roles.

### **6.3.3 Finance managers ( FM)**

Finance manager will be responsible for the all revenues, costs, expenses and required financial statement from time to time.

### **6.3.4 Marketing manager (MM)**

Marketing director will be responsible for sources adequate markets from local markets and abroad markets and must have enough h expense and ability to expand markets for MTCL cereal products

### **6.3.5 Operational manager (OM)**

The operational manager will be responsible for supervising production of the corn starch, glucose syrup, flour milling and animal feeds and reporting direct to managing director.

### **6.3.6 Human resource manager (HRM)**

The human resource manager will be responsible for all roles for employment issues in the industry and will be responsible to the industry managing director.

### 6.3.7 Warehouse Manager (WM)

He will be responsible for all activities taking place in the warehouse. The account/ financial manager, warehouse clerk, forklift driver/ cargo truck driver and personal secretary will be answerable to the industry managing director.

### 6.3.8 Plant manager (PM)

The plant manager will be responsible for managing the factory activities and making sure that all products are of high quality and will be responsible to the industry managing director.

### 6.3.9 Warehouse clerk (WC)

Will be responsible for the warehouse operation, making sure that the all activities of receiving goods, parking, drying, cleaning , fumigation , contracts and issuing receipts are done effectively and efficiently.

### 6.3.10 Technical Managers <sup>TM</sup>

These managers will include IT manager, electrical, and chemical managers for solving day to day industry issues.

### 6.3.11 Fork lift driver / Cargo truck driver

These staff will be responsible for day to day driving activities of fork lift and cargo trunk

**Table 1: MTCL MILLS workers**

Type of Employee	Y1
Key workers	
Managing Director	1
Finance director	1
Marketing manager	1
Warehouse manager	1
Finance manager	1

Warehouse clerk	1
Operation manager	1
Human resource manager	1
Maize flour processing managers	2
Maize Glucose syrup processing manager	1
Warehouse accountant	1
Vehicle driver	2
Crane driver	1
Fork lift driver	1
Personal	1
Security guards	3
Secretary	1
Sub total	20
Other workers	
Junior Workers	100
Commissioned Agent	150
Sub total	250
Total employees	270

## 7.0. Investment Experience and Financing

### 7.1 The assumptions

The main assumption in the financial planning section is that revenues, charges, salaries, commission and bonus will be changing constantly over the assumed project life years of operations review, under the conditions that costs will be adjusted accordingly, if there is any increases in prices and inflation rate.

The project is looking loan from lender match and the fund will be paid plus interest and the financial projections depicts super profit from the business operations.

## 7.2 Experience

Promoters of this venture have enough experience in business arena, most of key workers have worked in agricultural industry for more than 15 years, others worked in telecommunication industry as senior managers and others on fishing activities in Lake Victoria for many years.

## 8.0 Venture Capital summary

The proposed project is estimated to have venture capital expenditure and working capital of **USD 3.4M** A summary is divided into:

- a) Capital investment expenditure
- b) Electrical expenditure
- c) Plumbing expenditure
- d) Sanitary facilities expenditure
- e) Pre-operational expenditure for primary works
- f) Pre operational clearing and forwarding
- g) Environmental impact assessment expenditure
- h) Pre working seed capita for small holder farmers
- i) Trading working capital
- j) Administrative expenditure

**Table 2: Capital expenditure**

Item	Value USD	Qty	Total USD
<b>A) Capital Expenditure</b>			
Warehouse Silo Tower	145,000	2	290,000
Crane	20,000	1	20,000
Cargo Truck	40,000	1	40,000
Fork lift	12,000	1	12,000
Pickup	33,813	1	33,000
Prado land cruise for MDs	35,000	2	70,000

Conveyor	8,090	1	8,090
Truck scale	8,000	2	16,000
Communication, Computer Equipment's and automation, a PC, and document feeder	6,657	1	6,657
Furnitures, Safe, money counting, and photocopy	15,000		15,000
Corn flour processing machine	320,000	1	320,000
Glucose syrup processing machine	470,000	1	470,000
Steel plant for Maize flour processing	50,000	1	50,000
Grain Conveyor	11,600	1	11,600
Steel plant for administrative block	38,000	1	38,000
Industrial zone fence construction sqm 22500	30,000		30,000
Drawings for silo tower foundation for installation	20,000		20,000
<b>Subtotal capital expenditure</b>			<b>869,747</b>
<b>B) Electrical work</b>			
Drawing and building electric infrastructure	1000		1000
Electrical materials	4,000		4,000
Stand by Generator	4,000		4,000
Fire extinguisher	3,000		3,000
<b>Subtotal electrical work</b>			<b>12,000</b>
<b>C) Plumbing work</b>			
Drawing for plumbing infrastructure	1000		1000
Plumbing materials	4000		4000
Water well drilling	5000		5000
<b>Subtotal plumbing</b>			<b>10,000</b>
<b>D)SANITARY FACILITIES</b>			
650Mq2 for maize flour plant: materials are concrete, cement, sand and tiles	30,000		30,000
400 Mq2 for administrative block materials are: for concrete, cement, tiles and gypsum	30,000		30,000

202 Mq2 for silo tower foundation: materials required are: concrete, sand, cement and tiles	15,000		15,000
400 Mq2 for restaurant. Materials are concrete, cement, sand, tiles, timbers, iron sheet for roofing and gypsum	20,000		20,000
100 Mq2 for toilets. Materials are concrete, cement, sand, tiles, timber, toilet facilities and iron sheets	10,000		10,000
<b>Subtotal sanitary expenditure and labor charge</b>			<b>145,000</b>
<b>TOTAL CAPITAL EXPENDITURE</b>			<b>946,747</b>
<b>E) Pre -operational expenditure</b>			
Dar es salaam office at Mlimani City for sqm 60 @ usd 15 for twelve months.	900	12	10,800
Dar office part tion			5,000
Casual workers for 50 workers for 90 days @ day usd 9 per person	450	90	40,500
Local supervisors 5 @ day usd 20 per person.	100	90	9000
Interpreters usd 50 per day .	50	<b>90</b>	4500
For and acquisition, surveying, TIC certificate of incentives, breala fees and licences,	10,000		10,000
Technicians compensation for 3 months @ usd 100	200	<b>90 days</b>	18,000
<b>Sub total for preoperational expenses</b>			<b>97,800</b>
<b>F) Pre operational expenditure -Clearing and forwarding</b>			
Wharf age charge	20,000		20,000
ICD Handling, verification and stripping charges	19,146		19,146
Clearing and forwarding agent fees	5453		5,453

Shipping line charges			2,650
TPA corridor levy charges			596
Transportation charges			75,498
<b>Sub total clearing and forwarding</b>			<b>110,000</b>
<b>G)Environmental Management</b>	<b>Tshs</b>		
Environmental application and certificate	<i>5,000,000</i>		
Environmental expert charges	<i>5,000,000</i>		
Environmental compliance monitoring and audit	<i>1500,000</i>		
Workers Uniforms	<i>5,000,000</i>		
Water supply	<i>750,000</i>		
Health care facilities -diagnostic facilities	<i>100,000</i>		
Service industries – car garages	<i>200,000</i>		
Research and quality control- water testing	<i>300,000</i>		
Major construction works	<i>750,000</i>		
Polluting activities – registration and permit for emission	<i>6,000,000</i>		
Ozone depleting substances , import , export and licence fees	<i>1,000,000</i>		
Non Hazardous waste permit	<i>10,000,000</i>		
Solid waste permits	<i>850,000</i>		
Noise and vibration permits for factory, general , construction,	<i>20,000,000</i>		
<b>Sub total for EIA</b>	<i>55,700,750</i>		<b>25,000</b>
<b>H)Pre- working Seed capital for small holders farmers</b>			
Seed capital for small holder farmers	175,000		175,000
<b>Sub total for seed capital</b>			<b>205,000</b>
<b>I) Trading working capital</b>			<b>200,000</b>
Maize flour ingredients	20,000		20,000
<b>Sub Total Pre Working Trading Capital</b>	<b>57,000</b>		<b>257,000</b>

<b>j)Administrative Working Capital</b>			
Pre working capital for salary and wages for six months			<b>100,000</b>
Trading working capital			<b>1,430,000</b>
Communication	5,000		<b>5,000</b>
Insurance	5,000		<b>5,000</b>
Fuel	5,000		<b>5,000</b>
Electricity	5, 000		<b>5,000</b>
Legal fee	5,000		<b>5,000</b>
Promotion	5,000		<b>5,000</b>
Consultation	5,000		<b>5,000</b>
Miscellaneous	100,000		<b>50,000</b>
<b>Sub Total</b>			<b>140,000</b>
<b>Sub Total Working Capital</b>			<b>1,755,000</b>
<b>Total Employed Capital</b>			<b>3,640,000</b>

Exchange rate is 1 USD= TSH 2350

## 8.1 Financing Structure

- a. Government REGROW Grant USD 1.8M
- b. Credit guarantee of USD 1.7M From PASS TRUST TANZANIA

## 9.0 MTCL Warehouse investment, equipment and costs

### 9.1 Warehouse – Silo Tower development

A lump sum figure of USD **290, 000** is provided for purchasing two silo towers for handling 2000 tones each one and hence to store 4000 tones of maize at one time for maize flour plant . The main specification are capacity 4000 tones and main size is 15.6 \*mx13m.

## 9.2 Crane

The sum of USD 20,000 will be used for lifting the heavy machines 2- 25 tones.

## 9.3 Truck scales

The amount of USD 16, 000 will be used for purchasing two truck scales to weigh the goods in the industry.

## 9.4 Wharf age costs

The total sum of USD 28,000 will be used for wharf age charges as 1.6% of the customs value +VAT.

## 9.5 Clearing and forwarding agent

The sum of USD 87, 000 will be used for clearing and transporting the all industrial goods to the industrial site at LAELA in Sumbawanga rural district in Rukwa Region. The costs will include the agency fees, shipping line charges, ICD handling, verification, striping harges, TPA corridor levy charges and transportation charges.

## 10.0 Plant processing machines

### 10.1 Corn flour processing machine

This is of the high quality machine with capacity of processing maize into maize flour 100 tones per day . these machines will cost USD 320,000 with plant size 45\*8\*12.5 with total power usage of 500kw

### 10.2 Glucose syrup processing machine

This cost is for purchasing the equipment, making installation, consultation and training and it must be of a high quality processing equipment, it will cost USD 470,000 for producing 12 tones maize syrup with plant size 90\*24\*m with capacity of 280kw.

### 10.3 Steel plant for maize flour

The steel factory plant building and full installation is costing USD 50,000 for steel structure workshop of 50\*8\*12.5

#### **10.4 Steel plant building for glucose syrup**

The steel plant building for glucose syrup will cost USD 115,000 with main size steel structure workshop specification of 100\*24\*8m

#### **10.5 Steel administrative building**

Steel administrative block will cost USD 38,000 with main size specification of 40\*10\*6m

#### **10.6 Industry (Plant ) zone fencing**

The total sum of USD 35,000 is assigned for cement blocks for building the industrial zone walls.

#### **10.7 Sanitary facilities building**

The sanitary drawing and building which will include toilets and restaurants will cost USD 15,000 for workers and visitors basic need services

#### **10.8 Water well drilling**

The water well drilling will cost USD 10,000 for making sure that the industry will have the reliable source of water for industrial activities.

#### **11.0 Industrial equipment**

##### **11.1 Company Truck**

Amount of USD 80,000 is provided to purchase company truck. Of 30 tones capacity each one sino truck model for transporting the goods at least 150 tones raw materials per day.

##### **11.2 Fork lift**

The total of USD 12 ,000 is provided to buy the 3 tones forklift for lifting the heavy machines

##### **11.3 Company vehicle – pick up**

An amount of USD 33,000 is planned to purchase one pick up vehicle for field work activities of visiting farmers farms and training them on how to manage the maize farm effectively.

##### **11.4 Conveyor scale**

Amount of USD 20,000 will be used to purchase the conveyor scales for warehouse activities.

### **11.5 photocopy, automation feeder, and computer**

The total sum of USD 6,657 is provided for buying computer and installation of the internet.

### **11.6 Fixtures and fittings**

The total sum of USD 22,663 is set for purchasing the office furniture, safe and money counting.

### **11.7 Storage Houses**

The amount of USD 10,000 is provided for storage houses for storing imported goods while construction industrial plants and buildings will be taking place

### **11.8 tractors**

The amount of USD 34,000 has been assigned for purchasing one tractor with all inputs for assisting small holder farmers at affordable charges.

### **11.9 Conveyor**

The cost of USD 8,090 will be used for purchasing the conveyor for sorting the maize from sand while pulled down on back

## **12.0 Working capital**

### **12.1 Pre- Operational expenses**

A lump sum of USD 52,000 is provided to cover such expenses as casual payments, accommodation for two technicians, transportation, health, drilling, restoration, and repairs during plant building and installation of the machines for the period of three months. Other pre operational costs will include land acquisition, legal fees, consultancy charges, TIC, licenses, trade mark, transportation, and membership fees for various agricultural and cooperative and industry union

#### **12.2.1 Pre-working capital for industrial fence building**

The amount of USD 35,000 is provided for industrial fence building

#### **12.2.2 Pre- working capital for treated maize bags**

The sum of USD 37,000 is for buying treated maize bags for 50,000 (100kgs) and 50,000 (50kgs) for the period of one year.

### **12.2.3 pre working capital for small holder famers**

The small holder farmers will get the total sum of USD 175,000 as per forward farming for each farmer getting TSHS 400,000 for cultivating the two and half acres , buying seeds and fertilizers for effective farming.

### **12.2.4 pre working capital for Digital development solution**

The total sum of USD 400,200 will be used for digital development solution for connecting small holder famers to MTCL Agro processing industry for easy marketing communication.

### **12.3 Trading working capital .**

Trading working capital is the amount for buying small holder farmers harvested crops and it is estimated to buy 3, 300 tones of maize and the amount of USD 500,000 is assigned.

### **12.4 Working / operational and administrative cost**

The administrative working capital will include salaries and other utilities including marketing activities during the one year and it will cost USD 458,660

#### **12.4.1 Salaries**

Amount of 150,000 USD has been provided to cover the salaries of the entire industry employees.

#### **12.4.2 Legal fees**

The total of USD 10, 000 has been assigned for legal fees for the entire industry project.

#### **12. 4.3 Ingredients**

An amount of USD 40,000, is set for ingredients for 2- 3 months production.

#### **12.4.4 Electricity**

The total sum of 60,000 USD is provided to cover electrical bills of the industry.

#### **12.4.5 Fuel**

Amount of USD 60,000 is provided to cover fuel for all company vehicles and plant equipment's.

#### **12.4.6 Insurance**

Amount of USD 78, 660 is provided for the insurance on plant buildings, warehouses, and company equipment

### 12.4.7 Land acquisition

The land with be ten acres which will cost usd 16,000 till getting the title deed.

### 12.4.8 Consultations

The amount of 20,000 is provided for business plan preparation

### 12.4.9 Marketing

The amount of USD 50,000 is provided for marketing activities including MTCL web.site, electronic marketing, MTCL branding, promotions, labeling, packaging, trade mark and market demand creation

**Table 3: Projected Annual Tones In Warehouses**

Years	Tone Per Month	Tones Per Year
Y1	2000	24000
Y2	4,000	48,000,
Y3	4,000	48,000,
Y4	6,000	72, 000
Y5	6000	72,000

**Table 4: Projected warehouse annual Revenues in USD**

No	Particular / activity	Tone	Price per unit per tone in USD	Total amount in USD
1	Charge for open store per tone	24,000	.227	5454
2	Ware house receipt per tone	24,000	.22	5454
3	price later contract per tone	24,000	.22	5454
4	Storage charge per tone	24,000	7.79	187,000
5	Transport price per tone	24,000	0.847	20328
<b>6</b>	<b>Total Revenue per year.</b>		<b>9.318</b>	<b>223, 690</b>



<b>6</b>	<b>Total sales revenues</b>		<b>39,600</b>		<b>22,363,690</b>
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**Note: USD1 = 2350TSH**

### **13.0 The market**

The markets of maize, maize flour and glucose syrup are who can buy large quantities of metric tons are:

1. Tanzania local market.
2. DRC CONGO
3. SADC community market
4. Kenya
5. Southern Sudan

### **14.0 Conclusion**

This project is innovative, economically and socially viable and it is scalable, replicable and transformational in the national economic growth, therefore support it, it will be a model industry in agro processing sector in Tanzania. However, this industry will benefit thousands and thousands of people in the southern highland regions.

### **15.0 Appendixes**

The attachments on this feasibility study are MEMARTs, contracts with small holder farmers, RAS letter, financial statements, project impact results, CVs of Champions drawings and BOQ, profoma invoice of the machines to be bought , project champions CVs for project key promoters and the implantation schedule.

### **16.0 Check List/Milestone**

- Business Name Availability Check: Completed
- Business Incorporation: completed
- Tanzania investment center certificate of incentives: In progress
- Opening of Corporate Bank Accounts: completed
- Opening Online Payment Platforms: In process

- Application and Obtaining Tax Payer's ID: completed
- Application for business license and permit: In process
- Purchase of Insurance for the Business: In process
- Conducting Feasibility Studies: completed
- Generating part of the startup capital from the founders: In progress
- Writing of Business Plan: Completed
- Drafting of Employee's Handbook: Completed
- Drafting of Contract Documents: In Progress
- Design of Logo for the business: In progress
- Printing of Promotional Materials: In progress
- Recruitment of employees: In Progress
- Purchase of the needed office furniture, office equipment, software applications, electronic appliances and facility facelift: In progress
- Creating official website for the business: In Progress
- Creating Awareness for the business: In Progress
- Health and Safety and Fire Safety Arrangement: In Progress